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NORTHEAST LOUISIANA ARTS COUNCIL  
WEST MONROE, LOUISIANA

FINANCIAL STATEMENTS  
AND  
ACCOUNTANT'S REPORT

JUNE 30, 2007 AND 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

4/9/08

NORTHEAST LOUISIANA ARTS COUNCIL  
WEST MONROE, LOUISIANA  
JUNE 30, 2007 AND 2006

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## INDEPENDENT AUDITOR'S REPORT

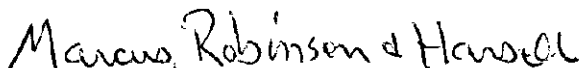
To the Board of Directors  
Northeast Louisiana Arts Council  
West Monroe, Louisiana

We have audited the accompanying statements of financial position of Northeast Louisiana Arts Council (a nonprofit organization) as of June 30, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Louisiana Arts Council as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2007, on our consideration of Northeast Louisiana Arts Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.



Marcus, Robinson and Hassell  
Monroe, Louisiana  
November 29, 2007

NORTHEAST LOUISIANA ARTS COUNCIL  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash & Cash Equivalents (Notes 1 & 2)	\$144,867	\$136,604
<u>Furniture and Equipment, net</u> (Notes 1 & 3)	<u>0</u>	<u>525</u>
<u>TOTAL ASSETS</u>	<u>\$144,867</u>	<u>\$137,129</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 700	\$ 1,478
Accrued Payroll Taxes	3,719	3,034
DAFP Grants & Expenses Payable	<u>48,606</u>	<u>39,721</u>
<u>TOTAL CURRENT LIABILITIES</u>	53,025	44,233
<u>Net Assets</u>		
Unrestricted:		
Operating	91,842	92,371
Fixed Assets	<u>0</u>	<u>525</u>
<u>TOTAL NET ASSETS</u>	<u>91,842</u>	<u>92,896</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$144,867</u>	<u>\$137,129</u>

See Notes to Financial Statements

NORTHEAST LOUISIANA ARTS COUNCIL  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>UNRESTRICTED NET ASSETS</u>		
<u>PUBLIC SUPPORT AND REVENUES</u>		
Memberships	\$ 15,840	\$17,005
Interest Income	4,926	2,978
Contracted Service Revenues	54,993	60,280
Special Events	0	5,090
Corporate Support	28,455	14,333
Foundation Support	46,400	15,906
Fundraisers	28,079	24,761
Other Income	5,994	17,094
Grant and Regrant-City of Monroe	35,000	35,000
National Endowment	0	5,000
DOA Support	50,052	44,745
Decentralized Grant - CDC Contract	25,000	25,000
Decentralized Grant-Administrative Allowance	14,575	15,147
Decentralized Grant - Parish Regrants	131,149	136,319
In-Kind Income - City of West Monroe	<u>20,000</u>	<u>20,000</u>
<u>TOTAL SUPPORT - UNRESTRICTED</u>	460,463	438,658

See Notes to Financial Statements

NORTHEAST LOUISIANA ARTS COUNCIL  
STATEMENTS OF ACTIVITIES-CONTINUED  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>EXPENSES</u>		
Administrative Salaries	89,250	85,650
Outside Professional Services - Artistic	70,326	48,543
Other Professional Services	5,841	6,582
Rent and Utilities	21,351	21,843
Staff and Artistic Travel	6,581	3,931
Marketing Promo and Printing	7,979	7,276
Office Supplies & Discretionary	609	471
Telephone	2,562	3,544
Travel and Lodging	5,500	5,262
Meeting Expense	2,317	1,690
Outside Professional Services - Other	2,073	2,099
Marketing and Printing	2,500	2,369
Developing	1,050	802
Equipment Rental	677	695
Insurance	1,958	1,781
Miscellaneous Equipment and Software	897	782
Payroll Taxes and Benefits	17,836	17,843
General Postage	1,251	873
Other Supplies	807	412
Development and Fundraising	6,546	3,191
Decentralized Parish Re grants	131,149	136,319
Re grants and Scholarships	40,838	48,832
Special Events	41,094	30,728
Depreciation	525	1,963
<u>TOTAL EXPENSE</u>	<u>461,517</u>	<u>433,481</u>
<u>CHANGE IN NET ASSETS</u>	(1,054)	5,177
<u>NET ASSETS, Beginning of Year</u>	<u>92,896</u>	<u>87,719</u>
<u>NET ASSETS, End of Year</u>	<u>\$ 91,842</u>	<u>\$92,896</u>

See Notes to Financial Statements

NORTHEAST LOUISIANA ARTS COUNCIL  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$( 1,054)	\$ 5,177
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	525	1,963
Increase (Decrease) In:		
Accounts Payable	(778)	1,478
Accrued Payroll Taxes	685	880
DAFP Grants & Expenses Payable	<u>8,885</u>	<u>( 17,795)</u>
<u>NET CASH PROVIDED BY (USED IN) ACTIVITIES</u>	<u>8,263</u>	<u>( 8,297)</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	8,263	( 8,297)
<u>BEGINNING CASH &amp; CASH EQUIVALENTS</u>	<u>136,604</u>	<u>144,901</u>
<u>ENDING CASH &amp; CASH EQUIVALENTS</u>	<u>\$144,867</u>	<u>\$136,604</u>

See Notes to Financial Statements

NORTHEAST LOUISIANA ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Northeast Louisiana Arts Council (the Council) is a nonprofit corporation based in West Monroe, Louisiana. The Council serves the citizens of Northeast Louisiana by providing funding and services to support and foster an environment in which the arts can thrive. The Council's support comes primarily from memberships, donor's contributions, and various government and arts agency grants.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Council has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Council is required to present a statement of cash flows. As permitted by the statement, the Council has discontinued its use of fund accounting.

Contributions

The Council has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Public Support and Revenue

Contributions are recorded when received and are generally available for unrestricted use unless specifically restricted by the donor.

Grants and other contributions are recorded when received and are generally available for unrestricted use unless specifically restricted by the donor.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash in checking, savings, and certificates of deposit is considered cash and cash equivalents for the purposes of the statement of cash flows.



NORTHEAST LOUISIANA ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes

The Council is exempt from Federal and State income taxes under Section 501(c)3 of the Internal Revenue Code. Therefore, no provision for income taxes has been made in these financial statements.

Depreciation and Amortization

Furniture and equipment are recorded at cost when purchased or, if donated, at fair market value at date of donation. Depreciation of furniture and equipment is provided using the straight-line method.

Budgetary Practices

The Council prepares an annual budget which is approved by the Board of Directors.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following bank accounts at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Hibernia	\$ 14,932	\$ 2,064
Iberia	0	3,442
Community Trust	41,447	0
Community Trust - CD	10,000	0
Bancorp South - CD	17,414	17,162
Iberia - Decentralized	8,694	46,316
Cross Keys Checking	<u>52,380</u>	<u>67,620</u>
<u>TOTAL</u>	<u>\$144,867</u>	<u>\$136,604</u>

NOTE 3 - FURNITURE & EQUIPMENT

A summary of furniture and equipment follows:

	<u>2007</u>	<u>2006</u>
Furniture and Equipment	\$40,258	\$40,258
Less: Accumulated Depreciation	<u>(40,258)</u>	<u>39,733</u>
<u>NET FURNITURE AND EQUIPMENT</u>	<u>\$ 0</u>	<u>\$ 525</u>

Depreciation expense for the years ended June 30, 2007 and 2006 totaled \$525 and \$1,963, respectively.

NOTE 4 - COMPENSATION - BOARD OF DIRECTORS

There was no compensation paid to any member of the Board of Directors during the years 2007 and 2006.

NORTHEAST LOUISIANA ARTS COUNCIL  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

NOTE 5 - DONATED SERVICES AND FACILITIES

The Council receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

The Council occupies without charge certain premises located in a government owned building by local government. The estimated fair rental value of the premises is reported as support and expense in the period in which the premises are used.

NOTE 6 - RETIREMENT BENEFITS

The Council pays 6% of employee's gross salary into a 403B retirement plan. Total retirement benefits were \$5,355 and \$4,941 for 2007 and 2006, respectively.

# **MARCUS, ROBINSON and HASSELL**

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AN ON OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Northeast Louisiana Arts Council  
West Monroe, Louisiana

We have audited the financial statements of the Northeast Louisiana Arts Council as of and for the year ended June 30, 2007, and have issued our report thereon dated November 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Northeast Louisiana Arts Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Northeast Louisiana Arts Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely effects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Council's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Council's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Northeast Louisiana Arts Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions

was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of management of the Northeast Louisiana Arts Council, federal and state awarding agencies and the Legislative Auditor of Louisiana and is not intended to be, and should not be used by anyone other than the specified parties. Although the intended use of these reports may be limited under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

*Marcus, Robinson & Hassell*

Marcus, Robinson and Hassell  
Monroe, Louisiana  
November 29, 2007

NORTHEAST LOUISIANA ARTS COUNCIL  
WEST MONROE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007

We have audited the financial statements of the governmental activities and each major fund of the Northeast Louisiana Arts Council, as of and for the year ended June 30, 2007, and have issued our report thereon dated November 29, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2007 resulted in an unqualified opinion.

Section I - Summary of Auditor's Results

i. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses yes x no Significant Deficiency yes x no

Compliance

Compliance Material to Financial Statements yes x no

ii. Federal Awards -N/A

Internal Control

Material Weaknesses yes no Significant Deficiency yes no

Type of Opinion on Compliance  
For Major Programs

Unqualified Qualified Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)?

iii. Identification of Major Programs: N/A

CFDA Number(s)      Name of Federal Program (or cluster)

Dollar threshold used to distinguish between Type A and Type B Programs \$N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133? yes No N/A

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs - N/A

NORTHEAST LOUISIANA ARTS COUNCIL  
WEST MONROE, LOUISIANA

SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006

Section I - Internal Control and Compliance Material to the Financial Statements

No findings were reported under this section

Section II - Internal Control and Compliance Material to Federal Awards

No findings were reported under this section.

Section III -

Management Letter

No management letter was issued.